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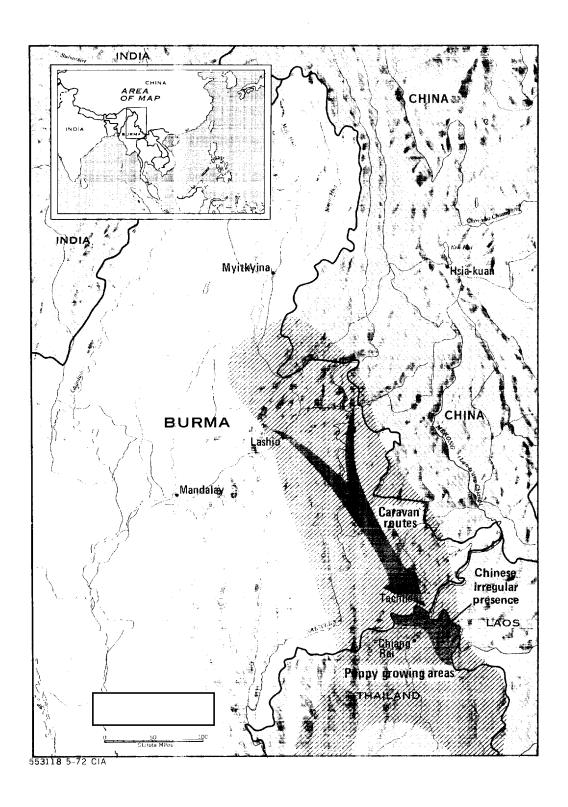
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THAILAND: Chinese irregular forces in northern Thailand appear to have reneged on their agreement to cease opium-running activities.

buying opium in the Lashio area of Burma and transporting it to refineries in northern Thailand controlled by the irregulars. The trade is being managed by the leaders of the Chinese irregular forces who last summer concluded an agreement with the Thai Government to get out of the narcotics business in return for Bangkok's assistance in resettling 4,000 irregular troops and dependents. Bangkok subsequently purchased their stock on hand and in March publicized the burning of 26 tons of opium.

The lucrative opium trade has been the irregulars' main source of income in the 20 years since they left China after the Communist take-over, and they probably never intended to take up tea growing and cattle raising as Bangkok hoped they would. The irregulars may calculate that the Thai Government, which is probably aware of their continuing opium activity, is not likely to move against them, both because it presently lacks the wherewithal to do so and because it wants to ensure continuing cooperation by the irregulars against Communist insurgents in north Thailand.

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BOLIVIA: President Banzer probably will announce cabinet changes this week that may give his government a more military cast.

Finance Minister Rodriguez is to be removed, and the cabinet may be restructured to eliminate the information and planning ministries. All three posts are held by the Nationalist Revolutionary Movement (MNR), which, like the Bolivian Socialist Falange, has five positions in the present 16-man cabinet. The armed forces have three ministries, and the private industrial sector holds the remaining three. Some shifts will probably be made to maintain the MNR's parity with the Falange in the reorganized cabinet.

President Banzer reportedly is coming under fire from within the armed forces for allowing the parties too much influence over policy-making. The direct criticism seems to have come from a newly militant group of lieutenants, but key unit commanders apparently also feel that important decisions should be made exclusively by the military.

Despite his own dissatisfaction with some aspects of the parties' performance, Banzer wants to maintain the military-civilian coalition. He is aware of his dependence on the armed forces, however, and this fact may be more clearly reflected in the new cabinet.

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